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2. Cash disbursements for property, coming within financial property accounting procedures, shall be entered on the financial records as a charge to "Cost of Property Acquired" and simultaneously recorded as an allotment expenditure under object classification 08.9 for expendable supplies or 09.9 for non-expendable property. Cash disbursements for property acquisitions shall be reflected on Schedule E as a normal allotment expenditure and the transactions shall be recorded in the installation's property records in accordance with the applicable transaction codes. At the foot of Schedule E, for each fiscal year involved, separate sub-footings shall be shown to identify the total of the items coded as sub-object classes 08.9 and 09.9, as follows:

Totals	Current Month <u>XXXX</u>	Cumulative <u>XXXX</u>
Items coded 08.9 and 09.9	<u>XXX</u>	<u>XXX</u>
Other items	<u>XXX</u>	<u>XXX</u>
Totals as above	<u>XXXX</u>	<u>XXXX</u>

Since all transactions including those recording cash acquisitions of property will be reflected on Schedule E, it will no longer be necessary to submit Schedule E-1, "Cash Disbursements for Property Acquisitions", as previously prescribed. Headquarters, when recording Schedule E, will charge Account No. 600.1 for the current month's expenditures exclusive of those coded 08.9 and 09.9 and will charge Account No. 195 for the items coded 08.9 and 09.9.

3. On the installation's property records, transfer will be made from accounts payable to the Headquarters accountability account (Account No. 495) in conformance with the total of items coded 08.9 and 09.9. When property is procured by one station on behalf of another and is chargeable to the allotment of another station (such as MOB for POB) the following accounting treatment will be afforded the transaction:

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- (a) Record the acquisition as Cost of Property Acquired and an allotment expenditure in the procuring station's accounts.
- (b) Record the acquisition in the property records of the procuring station.
- (c) Prepare Transfer Authorization to the requisitioning station and record as a reverse allotment expenditure.
- (d) Process as Material in Transit to requisitioning station.
- (e) Requisitioning (receiving) station will record the Transfer Authorization as Cost of Property Acquired and as an allotment expenditure.
- (f) Requisitioning (receiving) station will record the property acquisition in its property records and forward copy of Receiving Report to procuring (shipping) station.
- (g) Procuring (shipping) station will use copy of Receiving Report as the basis for adjusting its accounts payable and Material in Transit account.
- (h) The procuring station will not reflect the transaction on its Schedule E, provided the acquisition and trans-shipment occur in the same accounting period; if the acquisition and trans-shipment occur in two separate accounting periods, the acquisition will be reflected on the procuring station's records as Cost of Property Acquired and the Transfer Authorization to the requisitioning station will be reflected as a credit to Cost of Property Acquired and reported on the respective Schedule E's, as appropriate.
- (i) The requisitioning (receiving) station will record the Transfer Authorization from the procuring (shipping) station as Cost of Property Acquired representing a cash procurement of property

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transaction for general ledger purposes as opposed to recording the transshipment for property accounting purposes as an acquisition from material in transit.

OR

- (a) T/A the cash disbursement to the requisitioning station without recording the transaction as Cost of Property Acquired, or an allotment expenditure.
- (b) Same as (b) above
- (c) Same as (d) above
- (d) Same as (e) above
- (e) Same as (f) above
- (f) Same as (g) above
- (g) Same as (i) above

NOTE: If the acquisition is not recognized by the Finance Officer as procurement on behalf of another station or if station accountability is to be transferred by use of Transfer Authorizations as well as property accountability in connection with transshipments from stock, paragraphs (b) and (h) above will apply. This is true because such cash procurement of property is being treated in the allotment accounts of the procuring station as an allotment expenditure and so reflected on Schedule E of the procuring station.

A separate dispatch is being developed in reply to reference (b) which relates to such transactions.

4. At the close of each month, effective beginning with the month of July 1956, each field installation shall close its "Expenses" and "Cost of Property Acquired" accounts to "Transfers", and support this transaction by a

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Notification of Transfer of Funds or Accounts (Form No. 494) which shall show separately the total current month expenditures for each account. Notwithstanding the foregoing, the Expense and Obligation Subsidiary Ledgers shall continue to reflect all expenditures for budgetary statistical purposes and as support for the accumulated "Expense" column on the Schedule E for each fiscal year report.

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